106-1A (1-4) Do 5-9.
94-22 (3-5, 7-A, 10, 14, 15-17)
94-22 (6-9)
35-25-1
App. F. IX-4 40-26 (1-2)
" 47-26-1
*Previous References* " 70-26 (1-2)
" 181-97. Nil R
" 77-28-1
*Later References*
Genl 99-30 (2-15)

1930-1 (Genl.)

**File No.** Genl 99-30

**Serial Nos.** 1

Preserve

(5)

# General and Revenue Secretariat.

*l Nos.* Gne

**Part B for** June, 34

SUBJECT.

Note on Polar swing Cases

OFFICE OF THE EXECUTIVE COUNCIL
24 FEB. 1931
102

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SECRETARIAT
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CB. 3022

DEWAN'S MINUTE.

FILE No. 192.

DEWAN'S OFFICE
No 535
23 FEB. 1931

D 4106

C. Secy

Mr Kolar Mines Leases with Commissioner about 10 years term. Messrs Taylor & Sons, qua Mr accompanying mission, for pleasure in London, to whom would approach Govt. on the subject. Their Communication may be awaited, Mr Taylor being, in the meantime, informed accordingly.

MJ
23-2-31

Chief Minister ✓
Dewan & Sec'y.

MJ
23/2/31

h
24.2.31.

MJ
25.2.31

Submitted to Dewan Secy. for perusal.

# NOTE ON THE KOLAR MINING LEASES.

Principal reasons for immediate revision of the têrms of the Kolar Mining Leases are

(1). The Mining Companies are much less prosperous than formerly: their dividends will decline still further in future, and the ratio between the value of the gold produced and the profit thereon is entirely different from that which pertained at the time when the existing leases were signed.

(2). At least two, and perhaps four, of the Mining Companies have virtually reached the stage where the policy will have to be decided whether it is more advantageous to the Shareholders to work out their properties before 1940, or to continue with capital expenditure and exploratory development in the hope of prolonging the lives of those mines beyond 1940.

(3). If any mine or mines should cease operations, the Mysore State would suffer serious loss, not only from the loss of royalty and the reduced demand for electric power, but also from the other revenues which arise from the circulation within the State of the large sums paid out in Indian wages and local purchases. Also, the surviving Mining Companies would be put to considerable expense in pumping and maintenance charges on the abandoned areas, in order to keep their own mines at work in safety. Both parties are

therefore deeply concerned to keep all the mines in production as long as possible.

(4) The revision of the terms of the leases, to make the royalty more dependent upon dividends, and less dependent upon the value of the output, would have a strong effect in encouraging the Shareholders to continue operations in spite of one or more lean years.

(5) The revised terms should come into force from the year 1931, for say another thirty years. If the Mining Companies most seriously affected had to wait for concessions until the present leases expire in 1940, the risk is great that Shareholders of those Companies would favour the working out of their properties before expiry of the existing leases rather than continuing to spend their money on deeper exploration with its attendant risks. Further, commencing from 1931, an additional burden of about £25,000 per annum is being placed on the Mining Companies, to provide facilities for Indian labour which have been suggested in the report of the Special Commissioner appointed by Government.

20th January, 1931.

# KOLAR GOLD FIELD.

Comparison of Results for the Year 1905 and for the Year 1929.

(All figures in Short Tons of 2000 lbs. and Ounces Fine Gold).

## MYSORE.

| | | 1905. | 1929. |
|---|---|---|---|
| Current Ore Milled. | Tons. | 219,128 | 213,043 |
| do. Gold Recovered. | Ozs. | 189,796 | 102,240 |
| do. Yield per ton. | Dwts. | 17.3 | 9.6 |
| Dividend Paid. | £. | 420,500 | 106,750 |

## CHAMPION REEF.

| | | | |
|---|---|---|---|
| Current Ore Milled. | Tons. | 240,987 | 101,280 |
| do. Gold Recovered. | Ozs. | 194,529 | 53,695 |
| do. Yield per ton. | Dwts. | 16.1 | 10.6 |
| Dividend Paid. | £. | 416,000 | 32,500 |

## OOREGUM.

| | | | |
|---|---|---|---|
| Current Ore Milled. | Tons. | 136,392 | 165,843 |
| do. Gold Recovered. | Ozs. | 58,526 | 69,889 |
| do. Yield per ton. | Dwts. | 8.6 | 8.4 |
| Dividend Paid. | £. | 54,687 | 48,077 |

## NUNDYDROOG.

| | | | |
|---|---|---|---|
| Current Ore Milled. | Tons. | 88,558 | 129,857 |
| do. Gold Recovered. | Ozs. | 62,481 | 66,541 |
| do. Yield per ton. | Dwts. | 14.1 | 10.3 |
| Dividend Paid. | £. | 100,579 | 70,750 |

## BALAGHAT.

| | | | |
|---|---|---|---|
| Current Ore Milled. | Tons. | 54,678 | 50,100 |
| do. Gold Recovered. | Ozs. | 38,692 | 32,473 |
| do. Yield per ton. | Dwts. | 14.1 | 15.0 |
| Dividend Paid. | £. | 55,248 | 12,468 |

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## KOLAR GOLD FIELD.

| | | |
|---|---|---|
| Average Yield of Current Ore. | 14.84 dwts. | 9.84 dwts |
| Value of Total Gold returned from all sources. | £2,373,457 | £1,547,801 |
| Dividends Paid. | £1,047,015 | £ 270,545 |
| Royalties Paid. | £ 117,082 | £ 84,913 |

Note. The dividends to be paid for the Year 1930 are not yet settled, but they are not expected to exceed £200,000, because the Ooregum and the Balaghat Companies are in difficulties The estimated Royalty payable for 1930 amounts to approximately £75,000.

20th January, 1931.